

BILL ANALYSIS

Senate Research Center

H.B. 2257
By: Shields (Harris, C.)
Economic Development
6-28-95
Enrolled

BACKGROUND

Currently, the Texas Department of Insurance is not specifically required to implement a policy of confidentiality regarding proprietary and confidential information obtained through inquiry.

PURPOSE

As enrolled, H.B. 2257 authorizes the Department of Insurance to make inquiries into any matter relating to activities regulated under the Insurance Code; requires information in the response to be confidential.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 1.24, Insurance Code, as follows:

Art. 1.24. TO MAKE INQUIRIES. (a) Provides that the Department of Insurance (department), rather than the State Board of Insurance, is authorized to address any inquiries into any insurance company or agent, or to the holder of any permit, certificate of registration, or other authorization in relation to the company's, agent's, or holder's business condition, or any matter connected with its regulated activities or transactions which the department may deem necessary for the proper discharge of the department's duties. Provides that a response made under this article is the exclusive use of the department in the discharge of its regulatory duties. Requires information provided in a response that is proprietary in nature to be maintained as confidential by the department. Requires use of the response or information provided in the response at an administrative hearing or in a court to comply with applicable rules of evidence and procedure. Makes conforming and nonsubstantive changes.

(b) Requires an inquiry to be signed by the commissioner of insurance (commissioner) or by one of the four associate commissioners with jurisdiction over the subject matter of the inquiry. Prohibits the commissioner or associate commissioner from delegating the duty imposed by his subsection to another individual.

(c) Provides that a response and the information contained in a response is not subject to Chapter 551 or 2001, Government Code, or to discovery from the department under the Texas Rules of Civil Procedure.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Emergency clause.
Effective date: upon passage.